



City of Sunnyvale

Memorandum

To: Planning Commission

From: Troy Fujimoto, Associate Planner

Through: Trudi Ryan, Planning Officer

Date: September 26, 2005

Re: 2005-0025 Study Issue – Community Rooms in Multi-Family Developments

The purpose of this memorandum is to provide responses to the issues that were raised at the September 12, 2005 Planning Commission Study Session. Responses are summarized below:

1. The Planning Commission requested staff to provide additional information on homeowner association fees for various existing multi-family projects. The table below shows the projects where staff was able to obtain information on the monthly homeowner association fees.

| Project/ Applicant | Address | Number of Units | Type of Project | Range/Average Living Unit Size (excluding garages) | Community Room / Club House Provided? | Size of Community Room/Club House* | Homeowner Association Fee (monthly) |
|--|---|-----------------------|--------------------|---|--|---|--|
| 1985-0040 Urban West Communities | 150 N. Mary Ave | 540 | Condominiums | 1,210 – 1,730 s.f. | Yes, multiple | Approx. 900 s.f. total | North of California Ave - \$310 South of California \$295 |
| 1973-0090 Cal-West Communities | NW corner of Fremont Ave and Picasso Dr. | 250 | Condominiums | 900 – 1,373 s.f. | Yes | Approx. 3,348 s.f. | \$300 |
| 1975-0612 Cal-West Communities | 125 Connemara Way | 174 | Condominiums | Approx. 900 – 1,300 s.f. | Yes | Approx. 3,300 s.f. | \$250 |
| 1990-0354 Davidson, Kavanagh and Brezzo | 1239 Fair Oaks Way | 169 | Townhomes | 1,215 – 1,719 s.f. | Yes | Approx. 784 s.f. | \$300 |
| 2003-0117 Pulte Home Corporation | 1120 Karlstad Drive, 1131 & 1141 North Fair Oaks Avenue | 168 | Townhomes | Approx. 1,030 – 1,309 s.f. | Facilities for pool users | 360 s.f. | \$140 |
| 1989-0690 Summerhill Development Co. | 144 N. Mary Ave. | 160 | Condominiums | Approx. 850- 1,400 s.f. | Yes | Approx. 700 s.f. | Avg. \$375 |

* - Size denotes square footage for entire building/room, not only meeting room area



CITY OF SUNNYVALE REPORT TO PLANNING COMMISSION

September 26, 2005

SUBJECT: 2005-0025 – City of Sunnyvale - Study Issue to consider whether multi-family residential developments should be required to provide community rooms.

REPORT IN BRIEF

The purpose of this study issue is to evaluate whether community rooms/club houses should be required in multi-family residential developments to ensure that adequate meeting area opportunities are provided on-site. The study also reviews what size of development and size of meeting facility are appropriate.

The inclusion of community rooms/club houses provides residents with enhanced recreation opportunities for large parties and resident meetings. However, to minimize cost impacts for the initial project as well as for future residents, staff is proposing a project minimum of 100 units where a community room/club house would be required. Small developments tend to have reduced land opportunities to locate this type of facility, which negatively impacts project open space. In addition, the pro-rata cost to each resident for upkeep and maintenance of the facility is reduced as the size of the project increases.

BACKGROUND

The study issue was initiated as a result of a member of the public bringing it to the attention of the City Council. At that time, there were some multi-family residential projects that did not include a community room/club house as part of the project proposal. This study issue analyzes whether to require community meeting rooms (such as club houses) in multi-family residential developments.

EXISTING POLICY

Currently, the City does not specifically require multi-family developments to provide community rooms or club houses. In fact, there are no specific zoning ordinance requirements for any type of on-site recreational amenities. There are usable open space requirements that vary from 380 to 500 square feet average per unit, depending on the zoning district. These open space requirements may include patios and balconies as part of each unit, as well as common landscaped and pool areas.

The City has required the addition of this type of facility as a condition of approval for multi-family residential projects on a case by case basis. Part of the basis for this requirement is related to the following action statement contained within the General Plan.

Land Use and Transportation Element

Action Statement N1.4.5: Require amenities with new development that serve the needs of residents.

DISCUSSION

Five topics are covered in this section:

1. Community room/club house requirements in surrounding communities.
2. Private Developer comments in regard to provision of community room/club house facilities.
3. Summary of recent multi-family projects and whether a community room/club house was provided as part of the project.
4. Alternatives for community rooms/club houses as part of multi-family residential developments.
5. Analysis of various alternatives to require community rooms/club houses.

1) Community room/club house requirement for surrounding communities.

Of the seven nearby communities surveyed, none had a community room/club house requirement. These communities were selected based on their geographic proximity to Sunnyvale. Even though these neighboring cities do not have the requirement, even if the City imposes a requirement for community rooms/club houses, based on the high region-wide demand for housing, this probably would not negatively impact housing projects within the City. The table on the following page summarizes the cities surveyed.

| CITY | Community Room/Club House Requirement? |
|---------------|---|
| Mountain View | No |
| San Jose | No |
| Santa Clara | No |
| Campbell | No |
| Cupertino | No |
| Palo Alto | No |
| Milpitas | No |

2) Private Developer comments on community rooms/club houses

To learn what private developers are facing when they propose multi-family developments and the impact that a community room or club house may have on the project (both short term and long term), staff requested input on the issue from several local developers, including those without pending applications.

Key points that were echoed by most developers include the many factors that affect their decision to include or not include a club house. Common issues heard were availability of space on the site and financial impacts. Most of the remaining available residential sites within the City are infill sites with limited space availability.

In regards to the financial aspect of the club houses, the cost to construct the facility and the long term maintenance costs were cited as the biggest issues. Developers of rental and ownership housing are concerned about both impacts because the long term impacts (maintenance – higher rental rates and increased homeowner fees) will affect the appeal of the project to prospective homebuyers and renters. It is estimated that the initial development cost to provide a community room/club house is approximately \$200 per square foot; thus, a 1,000 square foot facility would cost approximately \$200,000. For ownership projects, the long-term maintenance financial impact can be as high as approximately 25% of homeowner association fees.

Most developers reported that approximately 100 units is the break even point for providing a community room/club house. A project with less than 100 units would be financially difficult for a developer to provide a community room/club house and would put a larger financial burden on the homeowner in the form of higher homeowner association fees. Conversely, a project with over a 100 units appears to make financial sense because the costs can be spread out over a larger number of homeowners.

In apartment developments, most provide some type of community room or club house as an amenity to attract prospective residents and to be competitive with other complexes. In addition, since apartment units are typically smaller than comparable ownership projects it is vital to have a community room/clubhouse as a place with adequate space to hold meetings and parties.

3) Summary of recent multi-family projects and whether a community room/club house was provided as part of the project.

Within the past year, the City reviewed and approved nine multi-family residential developments. Of these projects, three were conversions from either apartments or hotels. The table below and continuing on the following page summarizes projects approved or under construction from the past year as well as various existing residential projects (for history purposes), listed by number of units.

| Project/ Applicant | Address | Number of Units | Type of Project | Range/Average Living Unit Size (excluding garages) | Community Room / Club House Provided? | Size of Community Room/Club House* |
|---|---|--------------------------------|----------------------------|---|--|---|
| 1985-0040 Urban West Communities | 150 N. Mary Ave | 540 | Condominiums | 1,210 – 1,730 s.f. | Yes, multiple | Approx. 900 s.f. total |
| 2004-0209 Sobrato Development Companies | 1150 Morse Ave. and 1139 Karlstad Dr. | 271 | Built as apartments | 720 – 1,372 s.f. | Yes | Approx. 2,200 s.f. |
| 2004-0910 Millenium Hotel and Resorts | 1250 Lakeside Dr. | 250 | Condominiums | 650 – 2,000 s.f. | Yes | Approx. 780 s.f., in addition to hotel meeting rooms |
| 1973-0090 Cal-West Communities | NW corner of Fremont Ave and Picasso Dr. | 250 | Condominiums | 900 – 1,373 s.f. | Yes | Approx. 3,348 s.f. |
| 1975-0612 Cal-West Communities | 125 Connemara Way | 174 | Condominiums | Approx. 900 – 1,300 s.f. | Yes | Approx. 3,300 s.f. |
| 1990-0354 Davidson, Kavanagh and Brezzo | 1239 Fair Oaks Way | 169 | Townhomes | 1,215 – 1,719 s.f. | Yes | Approx. 784 s.f. |

| Project/ Applicant | Address | Number of Units | Type of Project | Range/Average Living Unit Size (excluding garages) | Community Room / Club House Provided? | Size of Community Room/Club House* |
|--|---|--------------------------------|--|---|--|---|
| 2003-0117 Pulte Home Corporation | 1120 Karlstad Drive, 1131 & 1141 North Fair Oaks Avenue | 168 | Townhomes | Approx. 1,030 – 1,309 s.f. | Facilities for pool users | 360 s.f. |
| 1989-0690 Summerhill Development Co. | 144 N. Mary Ave. | 160 | Condominiums | Approx. 850- 1,400 s.f. | Yes | Approx. 700 s.f. |
| 2004-0603 Classic Communities | 545 E. Weddell Drive | 130 | Townhomes | 1,500 – 1,550 s.f. | Yes | 500 s.f. |
| 2005-0625 Morley Brothers | 1122 Morse Ave | 72 | Townhomes | 1,750-2,200 s.f. | No | n/a |
| 2005-0096 Sal Caruso | 857 Carlisle Way | 60 | Conversion of apartments to condominiums | 1,164 s.f. | Yes | 2,100 s.f. |
| 2004-0650 Barry Swenson | 430 Toyama Dr. | 50 | Townhomes | 2,000 – 2,050 s.f. | No | n/a |
| 2004-0365 Woodfin Suites | 635 E. El Camino | 57 | Conversion of hotel to condominiums | 567 – 1,400 s.f. | Yes | 441 s.f. |
| 2004-0531 Classic Communities | 624 E. Evelyn Ave. | 47 | Townhomes | 1,650 s.f. | No | n/a |
| 2004-0112 First Community Housing | 940 W. Weddell Drive | 42 | Conversion from hotel to apartments | 783 s.f. | Yes | 6,234 s.f. |
| 1975-0139 Interbond Systems | Danforth and Russet Dr. | 40 | Townhomes | Approx. 1,665 s.f. | Facilities for pool users | 150 s.f. |

* - Size denotes square footage for entire building/room, not only meeting room area

Based on past projects, there were three projects that did not provide a community room or a club house and two that provided a club house but no meeting area. Of these, one (with a club house but no meeting area) had more than 80 units, while the others all had less than 80 units. However, there were three projects (all conversion projects) that were below 80 units that did provide a community room/club house. The Carlisle Way condo conversion retained the existing apartment complex community room. The conversion

from hotel (on Weddell) was an affordable apartment development. Apartments have a much lower threshold for providing community rooms, plus as an affordable project the community room was to be available for other services. The conversion of the Woodfin Suites had the requirement imposed on it. The Council specifically noted that the unit sizes were small and therefore a facility was needed.

4) Alternatives for community rooms/club houses as part of multi-family residential developments.

OPTIONS:

A) Require all multi-family residential projects to provide a community room/club house.

Require multi-family residential projects to provide a community room/club house that will, at a minimum, be able to accommodate resident meetings. The community room/club house shall include, at a minimum, a meeting room, bathrooms, and kitchen facilities. In addition, the meeting room sizes shall be as follows:

Recommended meeting room sizes:

1. **For projects 100 units and greater in size** - minimum meeting room size 450 square feet = 1 person per 15 square feet x 30 people.
2. **For projects between 20 to 100 units in size** - minimum meeting room size 225 square feet = 1 person per 15 square feet x 15 people.
3. **For projects below 20 units** - minimum meeting room size 150 square feet = 1 person per 15 square feet x 10 people.

B) Require multi-family residential projects over 100 units to provide a community room/club house.

Require multi-family residential projects over 100 units in size to provide a community room/club house that will, at a minimum, be able to accommodate resident meetings and include bathrooms and kitchen facilities (recommended minimum meeting room size 450 square feet = 1 person per 15 square feet x 30 people).

C) Require a community room/club house for multi-family residential projects with living unit sizes that average less than 1,000 square feet.

For multi-family residential projects with average living unit sizes less than 1,000 square feet, the project would provide a community room/club house that will, at a minimum, be able to accommodate resident meetings. The community room/club house shall include, at a minimum, a meeting room,

bathrooms, and kitchen facilities. The meeting room sizes shall be as provided in option A.

- D) Provide the option of a developer paying an in-lieu fee for development of meeting room in the closest park and require a fee for ongoing maintenance and upkeep.

Require multi-family residential projects to include a community room/club house, however, the developer would have the option of paying an in-lieu fee rather than providing the facility. The fee could be used to pay for new facilities within existing parks and maintenance of said facilities. If the Council decides to pursue this option, it would require a new study to establish the procedure.

- E) Adopt a policy that encourages community rooms/club houses for all multi-family residential projects.

Adopt a policy that encourages multi-family residential developments to provide a community room/club house within the project. The policy would not provide size requirements or provide a unit threshold for requiring a community room/club house. The policy would encourage all multi-family residential development to provide a community room/club house. The Planning Commission or Council could decide on a case by case basis whether a community room/club house is desirable.

- F) No change to the current ordinance.

Maintaining the current status would require the provision of a community room/club house on a case-by-case basis. This approach does not provide clear direction to the development community. It would have to be a condition of approval or proposed/agreed to by the applicant. There could be projects that do not have community rooms/club houses.

5) Analysis of various alternatives to require community rooms/club houses.

Opportunities

Implementing the community room/club house requirement for all projects will provide future residents the benefit of having an on-site facility where meetings and parties can occur with ample space and weather protection. Having a community room/club house will provide a recreational amenity to the residents, thus enhancing the overall project.

Having community rooms and club houses as a requirement within the zoning ordinance would enable developers to appropriately plan to include the facility as part of the overall development of the site, in terms of cost and siting.

As part of the requirement a meeting room size minimum should be established to prevent projects from providing “token” space to meet the community room/club house requirement.

Constraints

Requiring projects to include a community room/club house could raise the initial pricing of the units and raise rent rates, making units less affordable to prospective residents. In addition, for ownership projects, it could put a long-term financial burden on the homeowner through higher homeowner association fees.

Having the community room/club house requirement could also put additional constraints on the site development of the project by needing more land for an additional structure. The additional structure could reduce usable open space, reduce the number of units on the site, and could result in the developer having less area to provide a well designed site plan. The community room, up to a certain size, could count toward the usable open space requirement.

RELATIONSHIP TO THE GENERAL PLAN AND CURRENT GUIDELINES

| <i>General Plan Policy or Guideline</i> | <i>Consistency</i> |
|--|--|
| Land Use and Transportation Element of the General Plan | |
| <i>Policy N1.4:</i> <i>Preserve and enhance the high quality character of residential neighborhoods.</i> <i>Action Statement N1.4.5:</i> <i>Require amenities with new development that serve the needs of residents.</i> | Currently, the zoning ordinance is silent on requiring recreational amenities for multi-family residential developments. Requiring community rooms/club houses, that will serve the needs of the residents may better implement this action statement. |

| Community Design Sub-Element of the General Plan | |
|--|--|
| <p>Policy C.1: <i>Place a priority on quality architecture and site design which will enhance the image of Sunnyvale and create a vital and attractive environment for businesses, residents and visitors, and be reasonably balanced with the need for economic development to assure Sunnyvale's economic prosperity.</i></p> <p>Action Statement C.1.c: <i>Continue to ensure that projects have amenities which make them attractive and that these features are not sacrificed to maximize development potential.</i></p> | <p>Requiring community rooms/club houses will provide amenities to the resident (meeting and party space) that makes the development more attractive. Not only is it an amenity, it is a facility that is needed to provide a place for gatherings of large amounts of people that may not normally be adequate in typically smaller multi-family units.</p> |
| City Wide Design Guidelines | |
| <p>I. Site Design - Open Space - C4: <i>Provide private usable open space areas for each unit and common usable open space for all units in attached single and multi-family residential developments</i></p> | <p>Requiring a community room/club house would be consistent and more strongly tie the zoning ordinance to this guideline by requiring a facility that could be considered as common usable open space.</p> |
| Legislative Management Element | |
| <p>Policy 7.3B.3 <i>Prepare and update ordinances to reflect current community issues and concerns in compliance with State and Federal laws.</i></p> <p>Action Statement 7.3B.3b <i>Consider changes to ordinances to reflect changes in community standards and State and Federal laws.</i></p> | <p>This study is in response to a need identified by the City Council to look at requiring community rooms/club houses for multi-family residential developments.</p> |

ENVIRONMENTAL REVIEW

A Negative Declaration has been prepared in compliance with the California Environmental Quality Act provisions and City Guidelines. An Initial Study has determined that the proposed code modifications would not create any significant environmental impacts.

FISCAL IMPACT

An amendment to policies and ordinances has no direct fiscal impact to the City. A requirement to provide a community room/club house for multi-family

residential projects would financially impact home rental rates, home prices, and long-term association dues for homeowners, especially for smaller projects. However, this impact would be minimized if the facility requirement is placed on projects that have 100 units or more as the cost would be spread out over more residents and the impact would be less noticeable.

Requiring all multi-family residential projects to provide a community room/club house will reduce the impact on City park facilities. These developments would have their own weather-protected recreation space to use for gatherings, rather than having a park facility as the only option. This may reduce the wear and tear on City park facilities.

CONCLUSION

Recently there have been multi-family residential developments that have not provided a community room/club house as part of the project. The City Council identified that this issue needs further analysis to determine whether there should be a community room/club house requirement. Results of staff research indicated that other cities in the County do not have community room/club house requirements. The requirement may financially impact residents depending on the size of the project.

Amending the Zoning Code to require community room/club houses will provide residents a place to hold meetings and have special events in a weather protected location. In addition, it will provide residential developers advance notice of this requirement so it can be properly planned in the early stages of project development.

PUBLIC CONTACT

Public contact for the project and associated environmental document was made through the posting of the Planning Commission agenda on the City's official notice bulletin board, posting of the agenda and report on the City's Web page, advertising in the newspaper, and the availability of the report in the Library and the City Clerk's office. Approximately 16 courtesy notices were sent to residential developers and to Harriet Rowe (concerned citizen). Staff discussed the issue with four residential developers.

ALTERNATIVES

Recommend to the City Council:

1. Introduce an ordinance to amend the Municipal Code to require community rooms/club houses for all multi-family residential developments.
2. Introduce an ordinance to amend the Municipal Code to require community rooms/club houses for multi-family residential developments with 100 or more units.
3. Introduce an ordinance to amend the Municipal Code to require community rooms/club houses for all multi-family residential developments with average sizes of living units less than 1,000 square feet.
4. Direct staff to prepare additional analysis for requiring community rooms/club houses with an in-lieu fee option.
5. Adopt a Council Policy encouraging community rooms/club houses as part of all new multi-family residential developments.
6. Direct staff to where additional research is required for future action.
7. Do not modify the Municipal Code.

RECOMMENDATION

Staff recommends Alternative 2, a modification to Municipal Code Sections 19.38.070 to include a requirement that all multi-family residential developments over 100 units provide a community room/club house with a meeting room size minimum of 450 square feet which would accommodate resident meetings. A minimum number of 100 units will provide a financially feasible number that will reduce the impact to rental rates, initial home prices, and long-term maintenance for each unit. Putting this requirement in the zoning code will provide advance notice to potential applicants about the requirement of a community room/club house and appropriate site design and feasibility of the project can be analyzed in advance.

Reviewed by:
Trudi Ryan, Planning Officer
Prepared by Troy Fujimoto, Associate Planner

Reviewed by:
Robert Paternoster, Director, Community Development

Approved by:
Amy Chan
City Manager

Attachments

- A. Negative Declaration
- B. Draft Ordinance
- C. Study Issue Summary

Staff finds that homeowner association (HOA) fees have no pattern or consistency. Three of the above projects have approximately the same number of units 160-175 and provide a community room, yet the HOA fees vary by 125 dollars.

2. There was also a request to identify the General Plan Goal in regards to providing a diverse array of housing types within the City. The Goal is in reference to the Housing and Community Revitalization Sub-Element. It states as follows:

Goal D: Maintain diversity in tenure, type, size, and location of housing to permit a range of individual choices for all current residents and those expected to become City residents.

3. The Planning Commission voiced a concern about a community room/clubhouse requirement resulting in more project development deviations since it will put an added burden to fit another structure onto sometimes small pieces of land. This may result in deviations for the project, as the developer will have to work the facility into the existing site, and if the site is small to begin with, a deviation may be required to fit all aspects of the project onto the site. However, by having a community room/clubhouse requirement known in the early planning stages, it allows the developer time to properly site the facility, minimizing the need for deviations.
4. The Planning Commission was also concerned about this requirement and the potential impact on open space. This point is valid as community rooms/club houses will require additional space on the site, though it is not clear whether the result will be removal of open space, loss of living units, or smaller living units. However, both community rooms/club houses and open space oftentimes function as a recreation amenity for the future homeowners.